UNAUDITED RESULTS FOR FULL YEAR ENDED 31 DECEMBER 2005

PART I – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		
	31.12.2005	**31.12.2004* (restated)**	**+/(–)**
	$'000	**$'000**	**%**
Revenue	68,081	53,939	26.22
Cost of sales	(40,991)	(29,473)	39.08
Gross profit	27,090	24,466	10.73
Other income	10,334	11,183	(7.59)
General and administrative costs	(17,053)	(14,810)	15.15
Selling and distribution costs	(3,842)	(3,640)	5.55
Other operating income	987	849	16.25
Operating profit	17,516	18,048	(2.95)
Finance costs	(1,754)	(1,044)	68.01
Share of results of associated companies and joint venture	366	1,636	(77.63)
Profit before taxation	16,128	18,640	(13.48)
Taxation	(132)	19	n.m.
Profit after taxation	15,996	18,659	(14.27)
Attributable to:			
Equity holders of the Company	16,004	18,677	
Minority interests	(8)	(18)	
	15,996	18,659	

* Certain comparative figures have been reclassified to conform with current year's presentation and due to changes in accounting policies as set out in paragraphs 5 and 17 below.

n.m. denotes not meaningful.

	GROUP		
	31.12.2005	**31.12.2004 (restated)**	**+/(–)**
	$'000	**$'000**	**%**
Investment income	2,198	1,166	88.51
Other income including interest income	15,271	15,508	(1.53)
Interest on borrowings	(1,754)	(1,044)	68.01
Depreciation and amortisation and impairment loss on fixed assets	(1,191)	(1,099)	8.37
Write-back/(allowance) for doubtful debts and bad debts written off	46	(342)	(113.45)
Write-off for stock obsolescence	–	–	–
Write-back of provision for impairment in value of investments	151	1,261	(88.03)
Write-back of provision for impairment in value of investment properties	382	–	n.m.
Foreign exchange (loss)/gain	(2,029)	2,742	(174.00)
Adjustments for (under) or overprovision of tax in respect of prior years	1,437	1,244	15.51
Gain on disposal of investments	1,742	1,807	(3.60)
Gain on disposal of investment properties *(Included in other income)*	6,723	3,223	108.59
(Loss)/gain on disposal of fixed assets *(Included in other income)*	(16)	113	(114.16)
Fixed assets written off	(155)	–	n.m.
Exceptional items	–	–	–
Extraordinary items	–	–	–

n.m. denotes not meaningful.

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.12.2005 $'000	As at 31.12.2004* (restated) $'000	As at 31.12.2005 $'000	As at 31.12.2004* (restated) $'000
Fixed assets	14,031	15,000	4,527	4,731
Investment properties	108,090	109,856	–	–
Investment in subsidiaries	–	–	471,057	460,205
Investment in associated companies	61,606	62,037	643	716
Long term investments	78,994	84,369	3,040	3,054
Other receivables	415	319	–	–
Reinsurer's share of technical provisions				
Provision for unearned premiums	2,695	3,169	–	–
Provision for outstanding claims	6,474	8,552	–	–
Current assets				
Short term investments	63,875	51,646	–	–
Inventories	144	368	–	–
Trade receivables	4,243	3,503	–	–
Amount due from associated companies	114,072	105,851	124	88
Amount due from subsidiaries	–	–	2,606	11,421
Deferred acquisition costs	2,267	2,254	–	–
Other receivables, deposits and prepayments	10,855	6,512	75	80
Cash and bank balances	63,444	57,518	86	91
	258,900	227,652	2,891	11,680
Current liabilities				
Trade payables and accruals	(1,379)	(1,958)	–	–
Other payables	(9,871)	(9,742)	(828)	(1,484)
Amount due to subsidiaries	–	–	(46,595)	(48,138)
Amount due to associated companies	(446)	(446)	(446)	(446)
Advance premiums	(1,195)	(974)	–	–
Bank overdrafts	(457)	(458)	–	–
Bank loans	(4,952)	(1,171)	–	–
Provision for taxation	(859)	(717)	(60)	(27)
	(19,159)	(15,466)	(47,929)	(50,095)
Net current assets/(liabilities)	239,741	212,186	(45,038)	(38,415)
Non current liabilities				
Bank loans	(25,527)	(8,608)	–	–
Other payables	(38)	(163)	–	–
Deferred taxation	(4,255)	(2,625)	(50)	(45)
	(29,820)	(11,396)	(50)	(45)
Technical provisions				
Provision for unearned premiums	(11,777)	(11,841)	–	–
Provision for outstanding claims	(34,025)	(39,895)	–	–
Provision for premium deficiency	(2,245)	(2,021)	–	–
	434,179	430,335	434,179	430,246

* Certain comparative figures have been reclassified to conform with current year's presentation and due to changes in accounting policies as set out in paragraphs 5 and 17 below.

	GROUP		COMPANY	
	As at 31.12.2005	As at 31.12.2004* (restated)	As at 31.12.2005	As at 31.12.2004* (restated)
	$'000	$'000	$'000	$'000
Share capital	163,376	163,376	163,376	163,376
Share premium	8,778	8,778	8,778	8,778
Capital reserve	117,718	125,865	–	234,595
Revenue reserve	133,185	127,732	16,593	23,497
Fair value reserve	9,919	–	245,432	–
Currency translation adjustment reserve	1,203	4,576	–	–
Share capital and reserves	434,179	430,327	434,179	430,246
Minority interests	–	8	–	–
Total equity	434,179	430,335	434,179	430,246

* Certain comparative figures have been reclassified to conform with current year's presentation and due to changes in accounting policies as set out in paragraphs 5 and 17 below.

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
$5,409,000	–	$1,629,000	–

Amount repayable after one year

As at 31.12.2005		As at 31.12.2004	
Secured	Unsecured	Secured	Unsecured
$25,527,000	–	$8,608,000	–

Details of any collateral

The amount of long term bank loans repayable after one year and an amount of $0.49 million (31.12.2004: $1.07 million) of long term bank loans repayable within one year are secured over the investment properties of the Group. Short term bank loans and overdrafts of $4.47 million (31.12.2004: $0.458 million) are secured by corporate guarantees supported by charges over time deposits.

An amount of $0.10 million of short term bank loan as at 31 December 2004 of another subsidiary secured by its plant and machinery had been fully repaid.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP	
	31.12.2005 $'000	**31.12.2004 $'000**
Cash flow from operating activities:		
Operating profit	17,516	18,048
Adjustments for:-		
Interest income	(8,503)	(7,511)
Depreciation and impairment loss on fixed assets	1,191	1,099
Exchange realignment	(266)	(1,835)
Gain on disposal of investment properties	(6,723)	(3,223)
Loss/(gain) on disposal of fixed assets	16	(113)
Allowance for doubtful receivables from affiliated companies	–	411
Write-back of provision for obligation and warranties	(799)	–
Write-back of provision for impairment loss on investment properties	(382)	–
Fixed assets written off	155	–
Movement on provision for outstanding claims	4,715	4,912
Movement on provision for unearned premiums	634	(68)
	(9,962)	(6,328)
Operating income before reinvestment in working capital	7,554	11,720
Increase in receivables and short term investments	(15,417)	(10,565)
Decrease in inventories	224	19
Increase/(decrease) in payables	481	(827)
	(14,712)	(11,373)
Cash (used in)/generated from operations	(7,158)	347
Net claims paid	(8,508)	(10,124)
Interest received	8,503	7,721
Interest paid	(1,754)	(1,044)
Income taxes paid	(1,304)	(3,607)
	(3,063)	(7,054)
Net cash used in operating activities	(10,221)	(6,707)
Cash flow from investing activities:		
Purchase of investment properties	(54,166)	–
Purchase of fixed assets	(410)	(1,306)
Decrease in other investments	17,213	15,200
Increase in amount due from associated companies	(8,221)	(11,784)
Proceeds from disposal of investment properties	51,401	19,418
Proceeds from disposal of fixed assets	123	279
Net cash generated from investing activities	5,940	21,807
Cash flow from financing activities:		
Increase/(decrease) in bank loans	20,701	(10,902)
(Decrease)/increase in bank overdrafts	(1)	329
Decrease in amount due from affiliated companies	–	137
Dividends paid	(10,456)	(10,455)
Repayment to hire purchase creditors	(37)	(49)
Proceeds from issue of shares	–	218
Net cash generated from/(used in) financing activities	10,207	(20,722)
Net increase/(decrease) in cash and cash equivalents	5,926	(5,622)
Cash and cash equivalents at beginning of the year	57,518	63,140
Cash and cash equivalents at end of the year	63,444	57,518

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	GROUP		COMPANY	
	31.12.2005	31.12.2004* (restated)	31.12.2005	31.12.2004* (restated)
	$'000	$'000	$'000	$'000
Share capital				
Balance at beginning of the year	163,376	163,255	163,376	163,255
Issue of ordinary shares	–	121	–	121
Balance at end of the year	163,376	163,376	163,376	163,376
Share premium				
Balance at beginning of the year	8,778	8,681	8,778	8,681
Premium on issue of ordinary shares	–	97	–	97
Balance at end of the year	8,778	8,778	8,778	8,778
Capital reserve				
Balance at beginning of the year as previously reported	125,016	130,070	232,043	230,761
Reclassification to revenue reserve	849 **	849**	–	–
Adjustment to carrying value of subsidiaries as a result of adoption of FRS 28	–	–	2,552	2,552
Balance at beginning of the year as restated	125,865	130,919	234,595	233,313
Adoption of FRS 39	–	–	(234,595)	–
Net surplus/(deficit) on revaluation of:				
– investment properties	2,473	(3,008)	–	–
– subsidiaries	–	–	–	1,282
Adjustment due to disposal of investment properties	(10,529)	(2,200)	–	–
Deferred tax adjustment	(91)	154	–	–
Balance at end of the year	117,718	125,865	–	234,595
Revenue reserve				
Balance at beginning of the year as previously reported	126,718	121,216	23,497	21,615
Reclassification from capital reserve	(849) **	(849) **	–	–
Adjustment due to adoption of FRS 28	1,863	(857)	–	–
Balance at beginning of the year as restated	127,732	119,510	23,497	21,615
Adoption of FRS 39	(95)	–	–	–
Profit for the year	16,004	18,677	3,552	12,337
Dividend	(10,456)	(10,455)	(10,456)	(10,455)
Balance at end of the year	133,185	127,732	16,593	23,497

* Certain comparative figures have been reclassified to conform with current year's presentation and due to changes in accounting policies as set out in paragraphs 5 and 17 below.

** In previous years, a subsidiary had incorrectly treated an office occupied for own use as an investment property. An impairment loss on the same property was improperly taken to capital reserve instead of the profit and loss account.

	GROUP		COMPANY	
	31.12.2005	31.12.2004* (restated)	31.12.2005	31.12.2004* (restated)
	$'000	$'000	$'000	$'000
Fair value reserve				
Balance at beginning of the year as previously reported	–	–	–	–
Adjustment due to adoption of FRS 39	6,440	–	234,595	–
Balance at beginning of the year as restated	6,440	–	234,595	–
Deferred tax	(1,410)	–	–	–
Net gain on fair value changes	4,889	–	10,837	–
Balance at end of the year	9,919	–	245,432	–
Currency translation adjustment reserve				
Balance at beginning of the year as previously reported	3,805	1,090	–	–
Adjustment due to adoption of FRS 28	771	771	–	–
Balance at beginning of the year as restated	4,576	1,861	–	–
Exchange differences arising from revaluation of monetary items forming part of net investment in foreign operation	(337)	–	–	–
Exchange differences arising on consolidation	(3,036)	2,715	–	–
Balance at end of the year	1,203	4,576	–	–
Share capital and reserves	434,179	430,327	434,179	430,246
Minority interests				
Balance at beginning of the year	8	8	–	–
Share of loss in a subsidiary	(8)	–	–	–
Balance at end of the year	–	8	–	–
Total equity	434,179	430,335	434,179	430,246

* Certain comparative figures have been reclassified to conform with current year's presentation and due to changes in accounting policies as set out in paragraphs 5 and 17 below.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Since 30 September 2005, there were no changes to the issued ordinary share capital of the Company. As at 31 December 2005, the Company's issued share capital was $163,376,000 divided into 653,504,000 ordinary shares of $0.25 each.

As at 31 December 2005 and 31 December 2004, there were no outstanding options to subscribe for ordinary shares of $0.25 each in the capital of the Company under the Hwa Hong Corporation Limited Executives' Share Option Scheme (which had been terminated and is no longer in operation).

No options have been granted under the Hwa Hong Corporation Limited (2001) Share Option Scheme since its adoption on 29 May 2001.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited nor reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those of the most recently audited consolidated financial statements for the financial year ended 31 December 2004.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

From 1 January 2005, the Group has adopted the following new and revised Financial Reporting Standards (FRS) that are mandatory for financial year beginning on or after 1 January 2005:

FRS 1 Presentation of Financial Statements
FRS 2 Inventories
FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 Events after the Balance Sheet Date
FRS 16 Property, Plant and Equipment
FRS 17 Leases
FRS 21 The Effects of Changes in Foreign Exchange Rates
FRS 24 Related Party Disclosures
FRS 27 Consolidated and Separate Financial Statements
FRS 28 Investments in Associates
FRS 31 Interests in Joint Ventures
FRS 33 Earnings per Share
FRS 39 Financial Instruments: Recognition and Measurement
FRS 102 Share-based Payment
FRS 104 Insurance Contracts
FRS 105 Non-current Assets Held for Sale and Discontinued Operations

The effect of adoption of *FRS 39 Financial Instruments: Recognition and Measurement* on the financial statements has been set out in the statement of changes in equity.

The Group had accounted for its investment in 49.5% owned Norwest Holdings Pte Ltd and its subsidiaries and 20% owned Singamet Trading Pte. Ltd. using the cost method and classified these investments as non current investments. *FRS 28* requires the use of the equity method unless an investment is classified as held for sale in accordance with *FRS 105.* The Directors of the Company considered that these investments no longer meet the criteria in *FRS 105* and accordingly, accounted for them as *Associates* using the equity method. The effect of this change is as follows:

(i) Increase in revenue reserve, currency translation adjustment reserve and net tangible assets of the Group as at 31 December 2004 by $1.86 million, $0.77 million and $2.63 million respectively; and

(ii) Increase in profit before taxation of the Group by $1.527 million for the full year ended 31 December 2005 (2004: $2.72 million).

Except as described above, the adoption of the new and revised FRS did not have any material impact on the results of the Group and of the Company for the full year ended 31 December 2005.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	GROUP	
	31.12.2005	**31.12.2004 (restated)**
Earnings per $0.25 ordinary share after deducting any provision for preference dividends:-		
(i) Based on the weighted average number of ordinary shares in issue	2.45 cents	2.86 cents
(ii) On a fully diluted basis	2.45 cents	2.86 cents

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

(a) current financial period reported on; and

(b) immediately preceding financial year.

	GROUP		COMPANY	
	As at 31.12.2005	**As at 31.12.2004 (restated)**	**As at 31.12.2005**	**As at 31.12.2004 (restated)**
Net asset value per $0.25 ordinary share	66.44 cents	65.85 cents	66.44 cents	65.84 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Group revenue increased by about $14.14 million or 26.22%, from $53.94 million for the financial year ended 31 December 2004 ("FY 2004") to $68.08 million for the financial year ended 31 December 2005 ("FY 2005"), mainly attributable to:

(a) Increase in proceeds from disposal of short term investments (FY 2005: $29.78 million; FY 2004: $16.3 million) mainly due to active trading in equities;

(b) Increase in interest income (FY 2005: $4.9 million; FY 2004: $4.3 million) which was mainly due to higher interest rates and increase in amount of loans to associated companies; and

(c) Increase in rental income (FY 2005: $4.9 million; FY 2004: $4.7 million) mainly because of properties purchased during the year.

These increases in revenue as stated in (a) to (c) above were partially offset by lower revenue from the trading of chemicals (FY 2005: $2.2 million; FY 2004: $2.6 million) because of stiff competition.

Cost of sales increased mainly due to increase in cost of sales of investments.

Gross profit in FY 2005 increased by about $2.624 million or 10.73% as compared to FY 2004. The increase was mainly due to higher gross profit (FY 2005: $12.6 million; FY 2004: $12.3 million) from Tenet Insurance Company Ltd ("Tenet Insurance"). Improvement in loss ratios of Tenet Insurance (FY 2005: 27%; FY 2004: 29%) resulted in releases of prior years' reserves (FY 2005: $9.4 million; FY 2004: $9.2 million) which resulted in lower cost of sales. Gross profit was also boosted by higher revenue as described above.

Other income for FY 2005 decreased by $0.849 million or 7.59%, as compared to FY 2004, mainly due to exchange loss of about $2.03 million for FY 2005, as compared to the exchange gain of about $2.74 million for FY 2004. The exchange loss was due to the strengthening of Singapore Dollars against Sterling Pounds. However, the decrease in other income was partially offset by higher gain on disposal of investment properties (FY 2005: $6.72 million; FY 2004: $3.2 million) and higher interest income (FY 2005: $3.57 million; FY 2004: $3.19 million) due to higher interest rates.

General and administrative costs increased by about $2.24 million or 15.15%, from $14.81 million for FY 2004 to $17.05 million for FY 2005, mainly due to:

- professional and miscellaneous fees incurred in relation to the acquisitions of properties in United Kingdom;
- higher corporate communication expenses incurred by Tenet Insurance (FY 2005: $0.27 million; FY 2004: $0.05 million); and
- higher staff cost including directors' remuneration due to increment and increase in headcount (FY 2005: $8.62 million; FY 2004: $8.06 million).

Selling and distribution costs increased by about $0.2 million or 5.55%, from $3.64 million for FY 2004 to $3.84 million for FY 2005, mainly due to the increase in net commission expense (FY 2005: $3.4 million; FY 2004: $3.3 million) of Tenet Insurance. Net commission expense increased mainly due to lower reinsurance commission earned. The manufacturing and trading division also recorded higher selling and distribution expenses because of higher transportation charges due to high fuel prices.

Other operating income had increased by about 16.25% mainly because of the following reasons:

- write-back of provision for impairment loss on investments of about $0.15 million in FY 2005, as compared to the write-back of provision for impairment loss on investments of about $1.2 million in FY 2004;

- write-back of provision for obligation and warranties (FY 2005: $0.8 million; FY 2004: Nil) as the guarantee provided by the Company in respect of banking facility granted to an associated company has been discharged when the facility was fully repaid by the associated company; and

- write-back of provision for impairment loss on an investment property in Malaysia of about $0.38 million for FY 2005 (FY 2004: Nil).

Finance costs for FY 2005 increased by about $0.71 million or 68.01%, from $1.04 million for FY 2004 to $1.75 million for FY 2005, mainly due to additional bank borrowings taken up to finance the acquisitions of properties.

Share of results of associated companies decreased by about $1.27 million or 77.63%, from $1.636 million for FY 2004 to $0.366 million for FY 2005, and this was mainly due to lower profits contributed by Norwest Holdings Pte Ltd and its subsidiaries (FY 2005: $1.5 million; FY 2004: $2.7 million) and provision for losses (FY 2005: $1.08 million; FY 2004: $0.33 million) incurred by Hong Property Investments Pte Ltd ("HPI"). In FY 2004, the Group's share of loss of HPI was restricted to cost of investment. With the adoption of *FRS 28*, the Group had to record its share of loss in excess of cost of investment amounting to about $0.34 million in FY 2005. The decrease in share of results of associated companies was offset by increase in profits from the 20% joint venture in *The Pier at Robertson* (FY 2005: $0.8 million; FY 2004: $0.3 million).

Group profit before taxation decreased because of the reasons set out above.

The tax charge is lower than the amount determined by applying the Singapore income tax rate of 20% to the profit before taxation due to non-taxable items and overprovision of tax in prior years.

Increase in other receivables, deposits and prepayments was mainly due to the 20% deposit amounting to $4,870,764 paid for the acquisition of 15 units in *RiverGate* residential development. Bank loans increased mainly because of the financing taken up for the acquisitions of 15 units in *RiverGate* residential development as well as properties in United Kingdom. Decrease in currency translation adjustment reserve was due to exchange loss arising on consolidation as a result of appreciation of Singapore Dollars against Sterling Pounds.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The demand for high end residential properties in Singapore improved significantly in 2005 and the take up rate for developer sales exceeded the 5,850 units achieved in 2004. This strong demand is expected to continue in 2006 with good sales anticipated for the *RiverGate* development (a joint venture with CapitaLand Residential Limited) and *The Pier at Robertson* (a joint venture with City Developments Limited). The Group is expected to take up its share of gains from the sale of units in *RiverGate* when the 50% owned joint venture company, Riverwalk Promenade Pte Ltd, recognises the gains from these sales. With the divestment programme of industrial properties by the Government which is due to kick off in 2006, there will be some effect on rental rates and prices for industrial properties.

In 2005, the Group sold some residential and commercial properties in London which resulted in a profit of $6.723 million for the year. The Group has no immediate plans to dispose off the remaining residential and commercial properties for the time being as these are tenanted and giving an acceptable rental yield.

The ‘soft’ conditions in the general insurance market are likely to persist in 2006. Tenet Insurance Company Ltd will continue with its branding activities and launch new products for both personal and commercial lines. These initiatives are expected to result in preserving the existing premium income and a modest growth for 2006. Investment income is expected to benefit from the higher interest rate environment and continue to play an important role in the profitability of the insurance operations.

The Group’s associate, Norwest Holdings Pte Ltd is expected to continue to make a positive contribution to the Group’s profitability. However, the profit contribution is expected to be lower until the full output from the two phosphate rock mines is restored in the third quarter of 2006 after approval for the drilling of a new well in its second phosphate rock mine has been obtained.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes.

Name of Dividend	Final Ordinary Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent, less tax
Optional:- Dividend Rate (in %)	4%, less tax
Par value of shares	$0.25
Tax Rate	20%

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? Yes.

Name of Dividend	Final Ordinary Dividend	Interim Dividend
Dividend Type	Cash	Cash
Dividend Amount per Share (in cents)	1 cent, less tax	1 cent, less tax
Optional:- Dividend Rate (in %)	4%, less tax	4%, less tax
Par value of shares	$0.25	$0.25
Tax Rate	20%	20%

(c) Date payable

The proposed final dividend, if approved at the forthcoming Annual General Meeting of the Company, will be paid on 26 May 2006.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 16 May 2006 for the preparation of dividend warrants. Duly completed registrable transfers received by the Company's Share Registrars, Lim Associates (Pte) Ltd, 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 up to 5.00 p.m. on 15 May 2006 will be registered before entitlements to the dividend are determined. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the said dividend will be paid by the Company to CDP which will in turn distribute the dividend entitlements to holders of shares in accordance with its practice.

(e) Interim dividend declared and paid for the current reporting period

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1 cent, less tax
Optional:- Dividend Rate (in %)	4%, less tax
Par value of shares	$0.25
Tax Rate	20%
Date of Payment	2 September 2005

12. If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)

13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

BY BUSINESS SEGMENTS

	Warehousing & Property	Insurance & Investment	Manufacturing & Trading	Eliminations	Total
2005	**($'000)**	**($'000)**	**($'000)**	**($'000)**	**($'000)**
Segment Revenue					
External	4,905	48,609	14,567	–	68,081
Inter Segment	34	5,100	960	(6,094)	–
Total Revenue	4,939	53,709	15,527	(6,094)	68,081
Operating profit/(loss)	7,444	15,184	1,938	(7,050)	17,516
Finance costs					(1,754)
Share of results of associates and unincorporated joint venture					366
Profit before tax					16,128
Tax					(132)
Profit after tax					15,996
Minority interest					8
Profit attributable to shareholders					16,004
Segment Assets	135,324	855,172	2,393	(611,476)	381,413
Investment in Associated Companies	–	56,491	8,614	(3,499)	61,606
	135,324	911,663	11,007	(614,975)	443,019
Unallocated Assets					88,186
Total Assets					531,205
Segment Liabilities	(36,696)	(110,896)	(11,174)	94,137	(64,629)
Unallocated Liabilities					(32,397)
Total Liabilities					(97,026)
Capital expenditure	54,172	404	–	–	54,576
Depreciation	146	914	131	–	1,191
(Write-back)/ Impairment loss	–	(151)	(3,500)	3,500	(151)
Other non cash expenses	6	1,022	528	(1,419)	137

BY BUSINESS SEGMENTS (cont'd)

	Warehousing & Property	Insurance & Investment	Manufacturing & Trading	Eliminations	Total
2004 (restated)	**($'000)**	**($'000)**	**($'000)**	**($'000)**	**($'000)**
Segment Revenue					
External	4,728	46,592	2,619	–	53,939
Inter Segment	29	8,370	1,482	(9,881)	–
Total Revenue	4,757	54,962	4,101	(9,881)	53,939
Operating profit/(loss)	5,694	22,068	(2,707)	(7,007)	18,048
Finance costs					(1,044)
Share of results of associates and unincorporated joint venture					1,636
Profit before tax					18,640
Tax					19
Profit after tax					18,659
Minority interest					18
Profit attributable to shareholders					18,677
Segment Assets	118,868	838,675	1,840	(592,518)	366,865
Investment in Associated Companies	–	58,601	3,437	–	62,038
	118,868	897,276	5,277	(592,518)	428,903
Unallocated Assets					82,051
Total Assets					510,954
Segment Liabilities	(26,066)	(121,219)	(7,336)	87,617	(67,004)
Unallocated Liabilities					(13,615)
Total Liabilities					(80,619)
Capital expenditure	2	1,134	171	–	1,307
Depreciation	141	805	153	–	1,099
Impairment loss/ (Write-back)	–	(764)	767	(1,264)	(1,261)
Other non cash expenses	(25)	(14)	1,082	(641)	402

BY GEOGRAPHICAL SEGMENTS

	Singapore	United Kingdom	Others	Eliminations	Total
2005	**($'000)**	**($'000)**	**($'000)**	**($'000)**	**($'000)**
Revenue					
External	64,031	3,910	140	–	68,081
Inter Segment	6,094	–	–	(6,094)	–
Total Revenue	70,125	3,910	140	(6,094)	68,081
Segment Assets	1,039,721	98,687	4,273	(611,476)	531,205
Capital expenditure	409	54,167	–	–	54,576
2004 (restated)	**($'000)**	**($'000)**	**($'000)**	**($'000)**	**($'000)**
Revenue					
External	49,587	3,776	576	–	53,939
Inter Segment	9,881	–	–	(9,881)	–
Total Revenue	59,468	3,776	576	(9,881)	53,939
Segment Assets	1,015,569	81,216	6,687	(592,518)	510,954
Capital expenditure	1,149	–	158	–	1,307

14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

BY BUSINESS SEGMENTS

Warehousing & Property

Increase in revenue was due to rental income from newly acquired properties.

Increase in operating profit was due to disposal of investment properties in FY 2005.

Insurance & Investment

Decrease in revenue was due to lower premium income.

Decrease in operating profit was due to exchange losses of $2 million in FY 2005 because of weakening of Sterling Pounds. In FY 2004, the Group had recorded an exchange gain of $2.7 million.

Manufacturing & Trading

Increase in revenue was due to the trading of equities.

Increase in operating profit was due to profit on trading of equities and also a write-back of impairment loss of $3.5 million on the investment in Norwest Holdings Pte Ltd and its subsidiaries.

BY GEOGRAPHICAL SEGMENTS

Singapore

Increase in revenue was due to increase in trading of equities.

United Kindom

Increase in revenue was due to rental income from newly acquired properties.

Others

Decrease in revenue was due to lower revenue recorded from the sale of chemicals due to extremely stiff competition in China.

15. A breakdown of sales.

		GROUP		
		31.12.2005 $'000	31.12.2004 (restated) $'000	+/(–) %
(a)	Revenue reported for first half year	36,294	29,619	22.54
(b)	Operating profit after tax before deducting minority interests reported for first half year	10,892	6,164	76.70
(c)	Revenue reported for second half year	31,787	24,320	30.70
(d)	Operating profit after tax before deducting minority interests reported for second half year	5,104	12,495	(59.15)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	GROUP	
	31.12.2005 $'000	31.12.2004 $'000
Ordinary	10,456	10,456
Preference	–	–
Total	10,456	10,456

17. Comparative figures

Certain comparative figures for 31 December 2004 have been reclassified as follows:

	GROUP $'000	COMPANY $'000
INCOME STATEMENT		
Share of results of associated companies and joint venture		
As previously reported	(1,084)	
Adoption of revised FRS 28	2,720	
As restated	1,636	
BALANCE SHEET		
Fixed assets		
As previously reported	13,550	
Office property occupied by a subsidiary incorrectly accounted for as an investment property	1,450	
As restated	15,000	
Investment properties		
As previously reported	111,306	
Office property occupied by a subsidiary reclassified under fixed assets	(1,450)	
As restated	109,856	
Investment in associated companies		
As previously reported	57,801	–
Adoption of revised FRS 28		
– reclassification of investment in Norwest Holdings Pte Ltd and its subsidiaries ("Norwest Group") from long term investments	886	–
– reclassification of investment in Singamet Trading Pte. Ltd. ("Singamet") from long term investments	716	716
– share of reserves	2,634	–
As restated	62,037	716
Long term investments		
As previously reported	85,525	3,324
Adoption of revised FRS 28		
– reclassification of investment in Norwest Group	(4,950)	–
– reclassification of investment in Singamet	(800)	(800)
– reclassification of impairment loss for investment	4,148	84
– reclassification of amount owed to Singamet	446	446
As restated	84,369	3,054

18. INTERESTED PERSON TRANSACTIONS

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
Boon Suan Lee – professional services rendered to Hwa Hong Corporation Limited Group by firms in which he has an interest	$104,300	Not applicable^
Goh Kian Hwee – professional services rendered to Hwa Hong Corporation Limited Group by a firm in which he is a member	$117,556	Not applicable^

^ There is no subsisting shareholders' mandate for interested person transactions pursuant to Rule 920 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

BY ORDER OF THE BOARD

TAN MEE CHOO
COMPANY SECRETARY

23 February 2006